



GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

CAUSE NO. FSD OF 2023 ()

IN THE MATTER OF SECTIONS 15 & 16 OF THE COMPANIES ACT (2023 REVISION)

AND IN THE MATTER OF WPG INTERNATIONAL (CI) LIMITED

PETITION

To: **The Grand Court of the Cayman Islands**

THE HUMBLE PETITION of WPG International (CI) Limited (the **Company**) of Vistra (Cayman) Limited, P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1 – 1205 Cayman Islands, shows that:

INTRODUCTION

- 1 By this Petition, the Petitioner seeks an Order of the Court, pursuant to section 16 of the Companies Act (2023 Revision) (the **Act**), confirming a reduction of the capital of the Company which has been approved by a special resolution of the Company's shareholders (the **Capital Reduction**).

THE COMPANY

- 2 The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 1 March 2007 with registration number CR-183025 by the Registrar of Companies of the Cayman Islands.
- 3 The registered office of the Company is situated at Vistra (Cayman) Limited, P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1 – 1205 Cayman Islands.

SHARE CAPITAL OF THE COMPANY

- 4 As at the date of incorporation of the Company, its authorised share capital was US\$70,000,000.00 divided into 70,000,000 shares of a nominal or par value of US\$1.00 each.
- 5 As at the date of the Petition, the Company has an authorised share capital of US\$200,000,000.00 divided into 200,000,000 ordinary shares of a nominal or par value of US\$1.00 each (the **Existing Shares**), of which 150,282,520 shares (representing share capital in the amount of US\$150,282,520.00) are issued and fully paid up. The capital reduction now sought by the Company under this Petition is a result of a change in business needs.

THE COMPANY'S OBJECTS AND BUSINESS

- 6 The objects for which the Company was established are unrestricted but include, without limitation, to carry on business as an investment company and to carry out other objects more particularly set forth in the Company's Memorandum of Association dated 1 March 2007 and Articles of Association dated 1 March 2007 (the **Articles**).
- 7 The Company is an investment holding company that is wholly owned by WPG Holdings Limited (**WPGH**), a parent investment holding company incorporated in Taiwan. At all material times, the Company's principal activity was and is acting as a holding company of a group of subsidiaries carrying out actual business operations (the **Group**). The Group is principally engaged in the distribution of semiconductor components.

CAPITAL REDUCTION**The Articles – Power to reduce the Company’s share capital**

8 The Company is empowered to reduce its capital by Article 33(d) of the Articles which provides as follows:

“33(d). Without prejudice to Article 11 hereof and subject to the provisions of Statute, the Company may by Special Resolution reduce its share capital and any capital redemption reserve fund.”

9 Section 14 of the Act provides as follows:

“(1) Subject to section 37 and to confirmation by the Court, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles, by special resolution reduce its share capital in any way, and in particular (but without prejudice to the generality of the foregoing power) may —

(a) extinguish or reduce the liability on any of its shares in respect of share capital not paid up;

(b) either with or without extinguishing or reducing liability on any of its shares, cancel any paid-up share capital which is lost or unrepresented by available assets; or

(c) either with or without extinguishing or reducing liability of any of its shares, pay off any paid-up share capital which is in excess of the needs of the company,

and may, if and so far as is necessary, alter its memorandum by reducing the amount of its share capital and of its shares accordingly.

(2) A special resolution under subsection (1) is, in this Law, referred to as “a resolution for reducing share capital”.

The Special Resolution

10 On 21 July 2023, the Company passed the following special resolution in accordance with the Articles and Sections 14 and 60 of the Act (the **Special Resolution**) by way of a written resolution of WPGH as sole shareholder of the Company:

“The undersigned, being the sole shareholder of the Company, hereby adopts the following written resolutions:

- (a) *the Company be authorised to reduce its current share capital from US\$150,282,520 to US\$88,251,659 by:
 - (i) *returning paid up capital to the extent of US\$62,030,861 to WPGH, the sole shareholder of the Company; and*
 - (ii) *cancelling a total of 62,030,861 ordinary shares of the Company registered in the name of WPGH.**
- (b) *the register of members of the Company be updated to reflect the capital reduction once it becomes effective; and*
- (c) *the directors of the Company be and it is hereby authorised to effect such reduction of capital and to determine as it thinks expedient and take any and all acts required in connection therewith not specifically resolved upon herein.”*

11 The Capital Reduction contemplated in the Special Resolution has also been approved by the Board of Directors of the Company on 21 July 2023.

The Effect of the Capital Reorganisation

12 On the effective date of the Capital Reduction, the issued share capital of the Company will be reduced from 150,282,520 shares to 88,251,659 shares with the paid-up share capital of the Company therefore being reduced from US\$150,282,520 to US\$88,251,659.

13 Based on 150,282,520 Existing Shares in issue as at the date of this petition, a credit of US\$62,030,861 will arise as a result of the Capital Reduction (the **Capital Reduction Credit**).

14 Pursuant to two share sale and purchase agreements dated 1 December 2022 between WPGH and the Company, WPGH acquired all of the shares held by the Company in WPG Electronics (HK) Limited and WPG South Asia Pte. Ltd. for the sum US\$25,890,733 and US\$36,140,128 respectively (i.e. US\$62,030,861 in total).

- 15 As a result of the aforementioned transactions, WPGH is indebted to the Company for the sum of US\$62,030,861 (the **Accounts Receivable**).
- 16 It is intended that the Capital Reduction Credit be used to satisfy and discharge the Accounts Receivable, either by way of cash payments or a set off as against the Accounts Receivable, upon the Capital Reduction becoming effective.
- 17 Save for the application of the Capital Reduction Credit by way of cash payments or a set off against the Accounts Receivables, the Capital Reduction will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests of the Company's sole shareholder, WPGH. It is only the structure of the share capital which will change. The interest of WPGH, and in particular the net asset-backing of its shares, will not be adversely impacted by the Capital Reduction, and the Company undertakes not to declare a dividend to its shareholder as a result of the Capital Reduction.

The Reasons for the Capital Reduction

- 18 The return of capital to WPGH in the amount of US\$62,030,861 represents funds which, in the opinion of the directors of the Company, are excess to the needs of the Company.
- 19 The Capital Reduction Credit will be used to satisfy the Accounts Receivable, either by way of cash payments or a set off as against the Accounts Receivables, thereby enhancing the balance sheet of the Company.
- 20 The Capital Reduction is for a discernible purpose.
- 21 The Capital Reduction does not involve either the diminution of any liability in respect of unpaid share capital and while it involves a payment or a credit for the benefit of a shareholder, the interests of the creditors of the Company will not be adversely effected.

Proposed form of minute

- 22 The form of minute to be registered with the Registrar of Companies is as follows:

"The issued share capital of WPG International (CI) Limited was by virtue of a special resolution of the Company dated 21 July 2023 and with the confirmation of an order of the Grand Court

of the Cayman Islands dated 21 July 2023 (the "Order") reduced from US\$150,282,520.00 divided into 150,282,520 shares of US\$1.00 par value each, to US\$88,251,659.00 divided into 88,251,659 shares of US\$1.00 par value each."

23 In the circumstances, it is appropriate for the Court to confirm the Capital Reduction.

Your Petitioner therefore humble prays that:

1. The Capital Reduction which is to be effected by the special resolution set out at paragraph 10 above be confirmed and the form of minute set out at paragraph 22 above be approved by the court.
2. That all necessary inquiries may be made and directions may be given.
3. Such further or other orders as the Court thinks fit.

AND your Petitioner will ever pray etc

Dated this 2nd day of August 2023



HARNEY WESTWOOD & RIEGELS

Attorneys-at-Law for and on behalf of the Petitioner

NOTE: This Petition is not intended to be served.

THIS PETITION was presented by Harney Westwood & Riegels, Attorneys-at-Law for the Petitioner, whose address for service is 3rd Floor, Harbour Place, 103 South Church Street, PO Box 10240, Grand Cayman KY1-1002, Cayman Islands (**Ref:** 058102.0003-JGW).

NOTICE OF HEARING

TAKE NOTICE THAT the hearing of this Petition will take place at the Law Courts, George Town, Grand Cayman, Cayman Islands on Friday, 8 September 2023 at 10:00 am/~~pm~~.

Any correspondence or communication with the Court relating to the hearing of this Petition should be addressed to the Registrar of the Financial Services Division of the Grand Court at PO Box 495, George Town, Grand Cayman KY1-1106, Cayman Islands; Tel: 3459494296.